

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBa2330/1dn
MDK:jld:rs

April 19, 2010

Rep. Hintz:

This amendment regulates title loans as you requested, and makes other changes to title and payday loans that you requested. Please note the following:

1. You asked that the amendment include a requirement for annual reports by licensees. However, SSA 1 to SB-530 already includes such a requirement.
2. I required the division of banking to promulgate rules specifying the pricing guides that may be used for determining the value of a motor vehicle for purposes of the limit on the amount of a title loan. I did so to prevent any disputes over what constitutes a recognized pricing guide.
3. The amendment requires a licensee to provide notice 15 days before taking possession of a motor vehicle used as security for a title loan, except for possession that is obtained by the customer's voluntary surrender of the motor vehicle. Is the exception okay? As for the notice itself, I assume that it should state the licensee's intent to take possession, as well as describe the basis for the licensee's right to take possession. Is that okay?
4. Section 138.14 (12m) (g) creates an exception for customer misconduct from the prohibition on deficiency judgments. However, I'm not quite sure what constitutes misconduct, and you may want to clarify your intent.

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